

**25 January 2007**

# Thomson Intermedia plc

## Trading update

Thomson Intermedia plc (AIM: THN), the media insight company is providing a trading update, following the year end change. Thomson Intermedia, expects to announce its second set of interim results for the 12 months ending 31 January 2007 in April.

The core recurring revenues continue to show healthy growth in line with the historic profile of the Group. Alongside the core recurring revenues, Thomson Intermedia also has a one-off development revenue stream which because of the unpredictability of project timings can have a material impact on Group profits.

Thomson Intermedia expects Group revenue to be in the region of £20.6m and EBIT of £3.3m for the 15 months to 30 April 2007.

## Financial Update

The enlarged group now has two distinct revenue streams; recurring and consultancy revenue, and development revenue.

Recurring and consultancy revenue

This consists primarily of recurring annual services for which the Group maintains a high renewal rate and good forward visibility as well as marketing consultancy revenue.

Recognised revenue for this area is expected to be £19.6m for the 15 month period to April 2007 compared to £8.9m for the year to 31 January 2006. On a proforma basis, assuming billets' figures were included for all 12 months; this operation's revenues for the year to 31 January 2006 would have been £13.6m.

Gross profit is expected to increase to £10.4m for the 15 month period to April 2007, against £4.9m for the year to 31 January 2006 (£6.7m on a proforma basis). This represents annualised organic growth of 24% and a four percentage point improvement in the gross margin to 53%.

With overheads predominately flat, the resulting underlying operating profit from recurring and consultancy revenue is expected to increase to £3.5m in the 15 month period; up from £1.4m on a proforma basis for the year to 31 January 2006. On a like-for-like basis comparing recurring and consultancy revenue as they were 12 months ago, and adjusted for billets to 12 months, this core business stream has seen growth in underlying profit of 96%.

Development Revenue

This is predominately one-off fees, the majority of which directly or indirectly lead to longer term core revenue streams going forward.

To 31 January 2006, the Group recognised £2.2m of development income which includes £1.1m of retrospective vouching; £0.4m of German licence fees and fees for the development of publisher platform.

Currently the Group has a significant pipeline of new development projects, but the timing of closure of these projects and the delivery schedules are unpredictable. The Group, however,

does expect to close a high proportion of these projects during the current calendar year. Development revenue for the 15 months to April 07 is currently expected to be the order of £1m. A negative contribution of £0.2m is expected after accounting for R&D costs and an apportionment of overheads. This is £1.5m less than the proforma 12 months to 31 January 2006.

## **Outlook**

Thomson Intermedia is committed to becoming the key provider of marketing tools which help in providing maximum value for companies' advertising expenditure and core technology tools to the media industry as a whole. The industry remains the last 'trust' industry and developing platforms coupled with the fragmentation of media is creating increased demand for Thomson Intermedia's products and services.

The Group has built a much stronger position in the market place as a result of the integration of the businesses, the enhancement of data sets and products and the investment in relationships. This has led to a significant pipeline of development projects currently under discussion, the conclusion of which will not only bring immediate revenues but also additional recurring revenue streams for the future of the core business.

In addition the successful conclusion of the Group M negotiations has resulted in the removal of a major sales barrier for the Group's online services. Although it is still in early stages, in the Board's view, with the introduction of additional dedicated sales resource this will begin to have a positive impact to recurring revenues in the next financial year.

The Board is confident that the progress made and platforms being built will continue to drive and exploit the Group's significant opportunities.

## **Enquiries:**

### **Thomson Intermedia**

Sarah Jane Thomson, Joint Chief Executive  
David Trendle, Finance Director

020 8466 2906

### **College Hill**

Adrian Duffield/Ben Way

020 7457 2020